

## AGREEMENT FOR EXCHANGE OF PROPERTIES

THIS AGREEMENT, made this 27th day of March, 2012, by and between Keith Blackman ("Blackman") and the City of Jonesboro, Arkansas, an Arkansas municipal corporation ("the City").

### RECITALS

WHEREAS, Blackman owns property situated at 512 W. Jefferson Ave., Jonesboro, Arkansas (the "Blackman Property"), more specifically identified by legal description attached hereto as Exhibit A and incorporated by reference herein, and agrees to transfer it to the City pursuant to the terms and conditions contained herein; and

WHEREAS, the City owns property situated at the northwest corner of Jefferson and Church Streets, Jonesboro, Arkansas (the "City Property"), more specifically identified by legal description attached hereto as Exhibit B and incorporated by reference herein, and has agreed to transfer it to Blackman pursuant to the terms and conditions contained herein; and

WHEREAS, Blackman desires to exchange the Blackman Property for the City Property, and the City desires to exchange the City Property for the Blackman Property in a transaction intended to qualify under Section 1031 of the Internal Revenue Code of 1986, as amended ("Section 1031").

NOW THEREFORE, in consideration of the premises, and other good and valuable consideration, receipt of which is hereby acknowledged, it is agreed as follows:

1. Exchange. Blackman agrees to convey the Blackman Property to the City in exchange for the conveyance by the City of the City Property to Blackman. Both conveyances shall be by good and sufficient general warranty deed, conveying fee simple ownership of each property and warranting the same to be free and clear of all liens and encumbrances whatsoever, except (i) taxes not yet due and payable, and (ii) such other easements, restrictions, reservations, limitations or conditions of record which are approved by the respective grantee. Each party shall furnish the other with a copy of the proposed deed for approval at least three (3) business days prior to closing. Blackman shall also pay to the City the sum of \$47,500 at closing.
2. Exchange Value. Blackman and the City agree that the exchange value of the Blackman Property is \$121,500 and that the exchange value of the City Property is \$169,000.
3. Closing. Closing of the simultaneous exchange shall be handled through escrow with Community Title & Escrow, Jonesboro, Arkansas (for Blackman), and Lenders Title Company, Jonesboro, Arkansas (for the City), and the closing shall occur on or before April 10, 2012.
4. Closing Costs. Each of the parties shall pay their respective closing costs, including any costs of title examination and title insurance.
5. Taxes and Assessments. Taxes and special assessments, due on or before the closing date shall be paid by the current owner of each property. Current general taxes and

special assessments shall be pro-rated as of closing date based upon the last tax statement. Insurance, interest and rental payments shall all be pro-rated as of closing date.

6. Possession. Blackman shall vacate the Blackman Property and deliver possession to the City, and the City shall vacate the City Property and deliver possession to Blackman, both effective upon the closing date. Credit shall be granted to Blackman for any rental that may have been prepaid on parking rental on the Exhibit B property which might apply after closing.
7. Qualification under Section 1031. Neither party warrants nor represents to the other that the exchange transaction intended hereby will qualify for tax-deferred exchange treatment under Section 1031, and each party agrees to make no claim against the other for the transaction not so qualifying under Section 1031.
8. Inspection of City Property: Blackman certifies that he has inspected the City Property and that he is not relying upon any warranties, representations or statements of the City as to age, size or condition of any improvements located on the City Property. Further, Blackman agrees to accept the City Property in its current "as is" condition, and that the City shall have no liability to Blackman for any matters discovered or which reasonably should have been discovered by Blackman in performing his inspection.
9. Inspection of Blackman Property: The City certifies that it has inspected the Blackman Property and that it is not relying upon any warranties, representations or statements of Blackman as to age, size or condition of any improvements located on the Blackman Property. Further, the City agrees to accept the Blackman Property in its current "as is" condition, and that the Blackman shall have no liability to the City for any matters discovered or which reasonably should have been discovered by the City in performing its inspection.
10. Miscellaneous:
  - a. This Agreement may not be amended or modified except in writing signed by all parties.
  - b. This Agreement shall be binding upon the parties hereto, their respective heirs, personal representatives, successors and assigns.
  - c. This Agreement shall be construed and interpreted under and pursuant to the laws of the State of Arkansas.
  - d. The parties hereto warrant and confirm that the individual(s) executing this agreement are legally authorized to do so, and that any resolution, written approval or other agreement that is necessary to confirm such authority has been obtained.
  - e. The parties hereto agree that this instrument may be executed in counterparts, each of which shall be deemed an original and said counterparts shall together constitute one and the same agreement binding all of the parties hereto notwithstanding all of the parties are not signatory to the original or same counterparts. For all purposes, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.



Keith Blackman

CITY OF JONESBORO, ARKANSAS

Exhibit A

The West 100 feet of Lot 2 and the East 5 feet of Lot 3 of  
Block 12 of Flint's Addition of Jonesboro, Arkansas

Exhibit B

Lots 2 and 3 of Block A of the Original Survey of the City of Jonesboro, Arkansas